

Service Date April 18, 1975

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

In the Matter of the application of)	
PACIFIC POWER & LIGHT COMPANY for an)	DOCKET NO. 6296
order authorizing the issuance of)	
\$60,000,000 in principal amount of)	ORDER NO. 4187
First Mortgage Bonds.)	

On March 12, 1975, PACIFIC POWER & LIGHT COMPANY, hereinafter referred to as Applicant, a corporation organized and existing under and by virtue of the laws of the state of Maine, and qualified to transact business in Montana, filed with the Montana Public Service Commission its verified application, pursuant to Sections 70-117.1 to 70-117.6, inclusive, RCM 1947, requesting an order authorizing Applicant to issue, through negotiations with underwriters, \$60,000,000 in principal amount of a new series of its First Mortgage Bonds, 7. Series, hereinafter referred to as the New Bonds, and to execute and deliver in connection therewith a Twenty-eighth Supplemental Indenture, to be dated as of May 1, 1975. The application is supported by exhibits and data in accordance with the rules and regulations of the Commission governing the authorization of issuance of securities by electric and gas utility companies operating within Montana.

It is alleged in the application that Applicant is a public utility as defined in Section 70-103, RON 1947, in that it furnishes electric, telephone and water service in Montana; that Applicants s principal executive office is in the Public Service Building, Portland, Oregon, and that its principal Montana office is in Kalispell; and that Applicant is duly qualified to do business in the states of Montana, Oregon, Washington, California, Wyoming and Idaho. For detailed information with respect to the general character of Applicant's business and the territory served by it, reference is made to its annual reports on file with the Commission.

The securities proposed to be issued are \$60,000,000 in principal amount of a new series of Applicant's First Mortgage Bonds.

The New Bonds are to be issued under and pursuant to Applicant's presently existing Mortgage and Deed of Trust, dated as of July 1, 1947, to Guaranty Trust Company of New York (now Morgan Guaranty Trust Company of New York) as Trustees, as supplemented and as proposed to be supplemented by a Twenty-eighth Supplemental Indenture thereto, a copy of the proposed form of which is Exhibit E to the application. The New Bonds will bear interest at a rate per annum to be fixed through negotiations with underwriters and will mature on such date or dates as may be determined by Applicant's Board of Directors after negotiations with underwriters.

For a further description of the New Bonds, reference is made to Description of New Bonds, in Applicant's Registration Statement which is Exhibit D to the application and the proposed form of the Twenty-eighth Supplemental Indenture (Exhibit E).

Applicant has applied to the Federal Power Commission for exemption from the competitive bidding requirements of Section 34.1a of the Commission's Regulations under the Federal Power Act and has received permission from the Federal Power Commission to negotiate with underwriters with respect to the terms and conditions of sale of the New Bonds. Applicant proposes to sell the New Bonds through negotiations with underwriters in accordance with applicable requirements of Section 34.2 of the Federal Power Commission's Regulations unless such application for exemption from competitive bidding requirements is denied, in which case, Applicant will sell the New Bonds at competitive bidding.

The Applicant will promptly file a supplemental application setting forth greater detail the method of issuing and selling the securities. Estimates to the various items of expense to be incurred in connection with the issuance and sale of the new bonds are set forth in the application. The total estimated expense in connection with the issuance and sale of the New Bonds is \$135,000.

The estimated net proceeds of \$60,000,000 to be realized from the issuance and sale of the New Bonds will be used to retire short-term notes prior to or as they mature issued pursuant to Applicant's line of credit with certain banks or in the form of commercial paper as authorized by the Commission's Order No. 4138, dated May 29, 1974, in Docket No. 6227. The notes were issued to temporarily finance a part of Applicant's construction program. It is currently estimated that at the time of sale of the New Bonds,

the aggregate principal amount of short-term notes then to be outstanding 'will be about \$120,000,000. As shown by Exhibit H, construction expenditures for 1975 are presently estimated at about \$256,743,000.

Further permanent financing is to be undertaken by Applicant in 1975, but the amounts and types of securities then to be issued have not yet been determined. For additional information with respect to the purpose for which the New Bonds are to be issued, reference is made to Use of Proceeds and Construction Program in Applicant's Registration Statement which is Exhibit D.

The application sets forth Counsel who will pass upon the legality of the proposed issue, the other regulatory authorizations required and the propriety of the proposed issue.

Having fully considered the application and all the data and records pertaining thereto on files with the Commission and being fully advised in the premises, the Commission makes the following

FINDINGS OF FACT

1. That Applicant, Pacific Power & Light Company, is a corporation organized and existing under and by virtue of the Laws of the state of Maine and is qualified to transact business in the state of Montana.
2. Applicant is operating as a public utility as defined in Section 70-103, RON 1947, and as such is engaged in furnishing electric, telephone and water service in Montana.
3. That the Commission has jurisdiction over the subject matter of said application under Sections 70-117.1 through 70-117.6, RCM 1947.
4. That the securities transaction proposed by Applicant, as hereinafter authorized, will be for a lawful purpose and is consistent with the public interest; that the same is necessary, appropriate and consistent with the proper performance by Applicant of service as a public utility; and that the aggregate amount of the securities outstanding and proposed to be outstanding will not exceed the value of the properties and business of Applicant.

5. That public notice was given on March 27, 1975, of the filing of id application and no protests or requests for a formal hearing were received.

CONCLUSION

The Commission concludes that the application of Pacific Power & Light Company herein should be granted as hereinafter ordered.

ORDER

NOW, THEREFORE, at a session of the Public Service Commission of the State of Montana, held in its offices at 1227 11th Avenue, Helena, Montana, on April 17, 1975, there being present Chairman Gordon E. Bollinger and Commissioners P. J. Gilfeather, Thomas G. Monahan, James R. Shea and George Turman, there regularly came before the Commission for final action, the matters and things in Docket No. 6296, and the Commission being fully advised in the premises;

IT IS ORDERED by the Commission that the application of Pacific Power & Light Company for authority to issue and sell \$60,000,000 in principal amount of a new series of its First Mortgage Bonds, New Bonds, and to execute and deliver in connection therewith a Twenty-eighth Supplemental Indenture, pursuant to Sections 70-117.1 through 70-117.6, inclusive, 1947, and to use the proceeds thereof for the purposes set forth in **its** application and as set forth above, be, and the same is hereby approved, subject to the provisions of this order.

IT IS FURTHER ORDERED that the interest rate, price to the public, underwriting commissions, and net proceeds to the Applicant will **be held** open to be approved by this Commission upon the filing of a supplemental Application by the Applicant as set forth in this order.

IT IS FURTHER ORDERED that Pacific Power & Light Company shall file with the Commission a supplemental application showing the terms and conditions of the negotiated sale, a true copy of the final form of the Twenty-eighth Supplemental Indenture, a copy of the final Prospectus and thereafter copies of all such reports as are required to be filed **by** Applicant with the Federal Power

Commission under applicable rules and regulations of said Commission, as now in effect or as hereafter amended, relating to the issuance, sale and use of proceeds from the sale of the securities herein authorized to be issued by this Commission.

Neither the issuance of securities by Pacific Power & Light Company pursuant to the provisions of this order, nor any other act or deed done or performed in connection therewith, shall be construed to obligate the of Montana to pay or guarantee in any manner whatsoever any security authorized, issued, assumed or guaranteed hereunder.

The foregoing order was unanimously adopted by the Montana Public Service Commission.

DONE IN OPEN SESSION at the Helena, Montana, on April 16, 1975.

GORDON E. BOLLINGER, Chairman

B.J. GILFEATHER, Commissioner

THOMAS G. MONAHAN, Commissioner

JAMES R. SHEA, Commissioner

GEORGE TURMAN, Commissioner

ATTEST:

GAIL E. BEHAN
Secretary

(Seal)